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Social Security Agency Is Enlisted to Push Its Own Revision

By ROBERT PEAR

WASHINGTON, Jan. 15 - Over the objections of many of its own employees, the Social Security Administration is gearing up for a major effort to publicize the financial problems of Social Security and to convince the public that private accounts are needed as part of any solution.

The agency's plans are set forth in internal documents, including a "tactical plan" for communications and marketing of the idea that Social Security faces dire financial problems requiring immediate action.

Social Security officials say the agency is carrying out its mission to educate the public, including more than 47 million beneficiaries, and to support President Bush's agenda.

"The system is broken, and promises are being made that Social Security cannot keep," Mr. Bush said in his Saturday radio address. He is expected to address the issue in his Inaugural Address.

But agency employees have complained to Social Security officials that they are being conscripted into a political battle over the future of the program. They question the accuracy of recent statements by the agency, and they say that money from the Social Security trust fund should not be used for such advocacy.

"Trust fund dollars should not be used to promote a political agenda," said Dana C. Duggins, a vice president of the Social Security Council of the American Federation of Government Employees, which represents more than 50,000 of the agency's 64,000 workers and has opposed private accounts.

Deborah C. Fredericksen of Minneapolis, who has worked for the Social Security Administration for 31 years, said, "Many employees believe that the president and this agency are using scare tactics to promote private accounts."

Social Security trustees say the program's financial problems will grow as baby boomers retire. The program will pay out more in benefits than it collects in revenue in 2018, they say. By 2042, they say, the trust fund will be exhausted, and tax income will be sufficient to pay only 73 percent of scheduled benefits.

In campaign-style speeches, Mr. Bush and other officials have said that Social Security is headed for bankruptcy, and that workers should be allowed to divert some of their payroll taxes into private accounts, as a way to build wealth for themselves and their heirs.

Such comments have prompted inquiries from the public to Social Security offices. Agency managers said they expected a torrent of calls after Mr. Bush's Inaugural Address on Thursday and his State of the Union speech two weeks later.

Mark R. Lassiter, a spokesman for the Social Security Administration, said he could not discuss the agency's communications plans because they were "internal documents." The agency, he said, has a duty "to educate the public about the financial challenges facing Social Security," but has not prepared a script for employees to use in answering questions from the public.

The Bush administration ran afoul of a ban on "covert propaganda" when it used tax money to promote the new Medicare drug benefit and to publicize the dangers of drug abuse by young people. The administration acknowledged paying a conservative commentator, Armstrong Williams, to promote its No Child Left Behind education policy. But on Social Security, unlike those issues, the government has not concealed its role.

The agency's strategic communications plan says the following message is to be disseminated to "all audiences" through speeches, seminars, public events, radio, television and newspapers: "Social Security's long-term financing problems are serious and need to be addressed soon," or else the program may not "be there for future generations."

The plan says that Social Security managers should "discuss solvency issues at staff meetings," "insert solvency messages in all Social Security publications" and spread the word at nontraditional sites like farmers' markets and "big box retail stores."

Also, the document says, agency managers should observe and measure how much their employees know about the solvency of the program.

Mr. Bush has created a sense of urgency by declaring that "the crisis is now."

A slide show, presented to various audiences by James B. Lockhart III, deputy commissioner of Social Security, says that "benefit cuts would be drastic" after 2042 if the Social Security law and payroll tax rates continue unchanged.

A policy brief prepared by the agency says those benefit cuts "would double the poverty rate of Social Security beneficiaries aged 64 to 78," increasing the number of indigent people in that age bracket to 1.8 million, from 875,000.

Witold R. Skwierczynski, president of the Social Security Council of the federation of government employees, said: "Some of the information being imparted by agency officials is not factual, not accurate. There is no immediate crisis."

In interviews, other Social Security employees expressed similar views. But council members were more willing to allow use of their names because a federal law generally protects them against "penalty or reprisal" when they speak publicly or testify before Congress.

Social Security employees denied that their concerns were motivated by a bureaucratic mentality, a fear of change or a desire to protect their jobs.

"There's a lot more to it than that," said Colleen M. Kelley, president of the National Treasury Employees Union, which represents lawyers and paralegals at the Social Security Administration. "There's a genuine concern about how people will live when they retire, a real fear that Social Security benefits could be eroded by private accounts."

The official policy brief, analyzing the consequences of inaction, was written by Andrew G. Biggs, the associate commissioner of Social Security for retirement policy. Mr. Biggs, 37, joined President Bush in making the case for private accounts at a White House forum this week.

When he was an analyst at the Cato Institute, Mr. Biggs championed private accounts, saying they "would pay substantially higher retirement benefits than the current Social Security program" because some payroll taxes could be invested in stocks and corporate bonds rather than in government securities.

In 2003, just before he became associate commissioner, Mr. Biggs said that AARP, the lobby for older Americans, was "spreading disinformation" about the risks of private accounts. Mr. Biggs, who has a doctorate from the London School of Economics, said critics were wrong to suggest that personal accounts meant large cuts in benefits. In fact, he said, Social Security cannot pay the benefits it has promised.

The combination of benefits from traditional Social Security and a private account would substantially exceed what the current program can actually pay, Mr. Biggs said.

Other analysts, including the Congressional Budget Office, have reached a different conclusion. They say the combination of benefits from the trust fund and individual accounts is likely to be less than actual benefits under the current system.

In a document sent each year to millions of workers, the government emphasizes the looming financial problems. The document shows a worker's earnings history and estimated future benefits. But it says the scheduled benefits could be cut because "without changes, by 2042 the Social Security trust fund will be exhausted."

Agency employees raised their concerns with Reginald F. Wells, a deputy commissioner of Social Security, and two associate commissioners, David L. Feder and Roger McDonnell. Mr. McDonnell confirmed that employee representatives had shared their concerns with him, but he declined to say how he replied.

Robert M. Ball, who worked at the Social Security Administration for three decades and was commissioner under Democratic and Republican presidents from 1962 to 1973, said: "It's fine for the agency to answer factual questions, but it's unusual to use the Civil Service organization to push a political agenda, especially because what they're saying is not true. The program is not going bankrupt."

When asked about the outlook for Social Security, several agency officials pointed to a White House "fact sheet" that says, "By 2042, when workers in their mid-20's begin to retire, the system will be bankrupt - unless we act now to save it."